

AR02

SCOTT

SCOTT PAPER LIMITED ANNUAL REPORT 1971

Celebrating our Fiftieth Year 1922-1972

(604)

522-5714

SCOTT PAPER LIMITED 1971 ANNUAL REPORT

Head office / New Westminster,
British Columbia

Plants / New Westminster and Surrey, British
Columbia and Crabtree, Quebec

Sales offices / Vancouver, Winnipeg, Toronto,
Montreal and Dartmouth, Nova Scotia

Ce rapport annuel est publié en français et en anglais.
Si vous désirez en obtenir un exemplaire additionnel,
prière d'aviser le Secrétaire.

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SCOTT PAPER LIMITED

Financial Highlights

FOR THE YEAR

	1971	1970	% Change
Net sales	\$42,540,144	\$40,742,708	4.4
Depreciation	1,774,298	1,475,762	20.2
Interest expense	878,965	848,370	3.6
Income before taxes	3,048,925	3,153,403	(3.3)
— per share	3.81	3.96	(3.8)
Income taxes	1,463,003	1,600,410	(8.6)
Income after taxes	1,585,925	1,553,403	0.2
— per share	1.98	1.98	0.0
Dividends	720,000	720,000	0.0
— per share	.90	.90	0.0
Income reinvested in the business	865,925	863,403	0.3
Cash flow from operations	3,918,323	3,799,154	3.1
— per share	4.90	4.75	3.2
Capital expenditures	3,376,044	6,701,372	(50.1)
Salaries, wages and benefits	11,534,509	10,581,205	9.0

AT YEAR END

Ratio current assets to current liabilities	1.9	1.1	72.7
Long term debt	\$12,000,000	\$ 6,100,000	49.2
Shareholders' interest per share	\$ 25.92	\$ 24.83	4.4
Number of shares outstanding at year end	800,000	800,000	0.0
Number of shareholders	1,313	1,402	(6.3)
Number of employees	1,199	1,180	1.6
Investment in assets per employee	\$ 28,600	\$ 27,800	2.9

There was something special about the location on the north bank of the Fraser River, but it wasn't apparent on that cold winter day in 1922. What was apparent included a new paper machine, a small converting plant, and a freshly laid railroad siding. The Westminster Paper Company was in operation with a labour force of about 60 people, and a growing market for household tissue products within easy reach. Seven years later, when the mill burned to the ground, the special quality of that location became evident: the people of the community and the company's employees cared about the plant and were willing to work to see it rebuilt. The City of New Westminster guaranteed a debenture bond issue for the refinancing needed, and the employees turned out to help in the reconstruction. Expansion never ceased, and in 1954 Scott Paper Company with its industry-leading technology and marketing experience joined the Canadian shareholders. Soon after, the major step in becoming a truly national company was taken when the Crabbtree, Quebec plant was acquired. Just last year Scott completed a five year expansion programme which made Crabbtree one of the largest and most efficient tissue products plants in Canada. Today at Scott the lesson learned a half century ago remains a fundamental principle: dedicate yourself to quality, and people will be proud to take part in your progress.

SCOTT PAPER LIMITED

Financial Highlights

FOR THE YEAR	1971	1970	Percent Change
Net sales	\$42,910,244	\$39,761,768	7.9
Depreciation	1,779,898	1,425,751	24.8
Interest expense	878,993	448,270	96.1
Income before taxes	3,048,925	3,183,403	(4.2)
— per share	3.81	3.98	
Income taxes	1,463,000	1,600,000	(8.6)
Income after taxes	1,585,925	1,583,403	0.2
— per share	1.98	1.98	
Dividends	720,000	720,000	
— per share	.90	.90	
Income reinvested in the business	865,925	863,403	0.3
Cash flow from operations	3,918,323	3,799,154	3.1
— per share	4.90	4.75	
Capital expenditures	3,376,044	6,701,372	
Salaries, wages and benefits	11,534,509	10,581,205	
AT YEAR END			
Ratio current assets to current liabilities	1.9	1.1	
Long term debt	\$12,000,000	\$ 6,100,000	
Shareholders' interest per share	\$ 25.92	\$ 24.83	
Number of shares outstanding at year end	800,000	800,000	
Number of shareholders	1,313	1,402	
Number of employees	1,199	1,180	
Investment in assets per employee	\$ 28,600	\$ 22,800	

To Shareholders and Employees:

1971 net sales increased 7.9% to \$42,910,244—a new record high in sales volume for your company. Net earnings, however, were up only slightly from 1970, amounting to \$1.98 per common share, due principally to (a) continuing cost increases in excess of productivity and volume gains, (b) lower profitability of export sales as the Canadian dollar rose to virtual parity with the United States dollar, (c) substantial investment spending on new products charged to earnings as incurred, (d) higher interest costs resulting from the Series A Debenture issue at mid-year, and (e) greater depreciation expense due to the significant capital investment programs which were completed and placed into service late in 1970 and during 1971.

1971 was marked by several noteworthy events in your company's affairs. BabyScott disposable diapers were introduced in the Ontario and Alberta markets. This new product line has met with a good response from consumers and the retail trade alike.

A high speed paper machine and related equipment went into full production at the Crabtree, Quebec plant during the year. This new machine is the company's fourth at the Eastern Manufacturing Division and is capable of producing a wide range of base papers for our established and newer product lines. The new facilities were officially dedicated by the Honourable Robert Quenneville, representing the Government of Quebec, and Bishop René Audet, representing the Diocese of Joliette, on October 22nd in the presence of many of the company's Quebec customers, special guests and members of the Board of Directors.

There were two changes in the Board of Directors during the year. Mr. A. D. Lauder resigned on May 15, 1971 after 26 years of service to the company. On October 21, 1971, Mr. Harrison F. Dunning also resigned from the Board. Mr. Dunning, who retired from his position as Chairman of the Board of Scott Paper Company, Philadelphia, Pennsylvania, had been a Director of your company since 1957.

We wish to record our deep appreciation to Mr. Lauder and Mr. Dunning for their many outstanding contributions to the growth and development of the company.

We welcome most warmly Mr. P. J. Peters, Vice President (Finance) of Scott Paper Limited and Mr. P. C. Baldwin, Vice Chairman, Scott Paper Company who were appointed to fill the vacancies created by these retirements.

An expansion to the Western distribution center was opened late in 1971. This facility serves Western Canadian and export customers and has replaced a number of leased outside locations, enabling the

company to offer improved customer service, as well as achieving distribution and storage cost savings on finished goods. Significant improvements to Eastern Canadian customer service and distribution efficiencies have been brought about as a result of the expansion to the Crabtree distribution center, which was completed during 1970.

The company, through its underwriters, successfully sold \$12 million of Series A 8¾ % Debentures in June.

Financial

Pre-tax earnings in 1971 amounted to \$3,048,925—down 4.2% from 1970. After-tax earnings amounted to \$1,585,925, or \$1.98 per share, compared to \$1,583,403, also \$1.98 per share, earned in 1970.

The reduction in corporate income tax rates resulted in a lowering of the company's effective tax rate to 48% in 1971, compared to 50.3% in 1970. The tax reduction was the equivalent of 8c per common share in 1971.

Dividends were paid in 1970 at the rate of 90c per common share, marking the 41st consecutive year in which the company has paid dividends to shareholders.

Capital expenditures in 1971 amounted to \$3,376,044, largely represented by the completion of the expansion at the Eastern Manufacturing Division, Crabtree, Quebec and the new distribution facilities at the Western Manufacturing Division, New Westminster, British Columbia.

Net proceeds from the Series A Debenture issue, amounting to \$11,481,926, were used to repay long term bank loans, to reduce short term borrowing and to increase working capital.

At year end, working capital stood at \$6,295,017, compared to \$1,090,812 at year end 1970.

Capital expenditures planned for 1972 are expected to amount to approximately \$4,000,000.

Marketing and Sales

Towards the end of the first half of 1971, the growth in consumer purchase rates returned to more normal levels for convenience and sanitary products.

As a result, there were better opportunities to achieve increases for our established and new packaged product lines in both consumer and industrial divisions—all of which was reflected in the company's sales volume in the latter part of the third quarter and in the fourth quarter. Case sales of the company's packaged products (particularly in the last five months of 1971) rose substantially over the comparable period of 1970.

Research shows Scott quality to be the most important consideration in the buying decision, but package design is an increasingly important factor. As a result, a complete redesign of Scott consumer and industrial packaging was completed in 1971. Such continuing market research is vital to a consumer products company today.



Important changes were made in our method of distributing industrial packaged products in Eastern Canada during the year. These new arrangements will, in time, lead to increased profitability in the important industrial packaged products division.

Export sales (primarily parent rolls) increased substantially over 1970 in tonnages. However, profitability of these sales has been adversely affected by the increase in the value of the Canadian dollar related to the U.S. dollar since the fixed exchange rate was abandoned.

Westminster Paper Company continued its development work on disposable products for the hospital and medical market. New production machinery was installed at the Surrey, British Columbia plant of this wholly-owned subsidiary. The new equipment is designed to increase production and further the company's program of experimentation and development in the paper-plastic combination disposable field.

Manufacturing

In spite of lower volume growth rates in the early part of the year, the start-up of a new paper machine in the Eastern Manufacturing Division, and the introduction of facilities required for new products, the Manufacturing Division made substantial gains in efficiency and in combatting cost increases.

The New Westminster plant operated at virtual capacity through the year, largely because of a sound sales performance in domestic markets and strong growth in export volume. The Crabtree, Quebec plant, with its greatly increased production capacity, was shut down on a partial basis for brief periods during the year. At a time when many companies in the forest products industry were forced into curtailed operations and extensive lay-offs, this company was fortunate to be able to maintain its operations at near capacity levels, keeping shutdowns and lay-offs to a minimum.

As we proceed into 1972, all paper machines in both

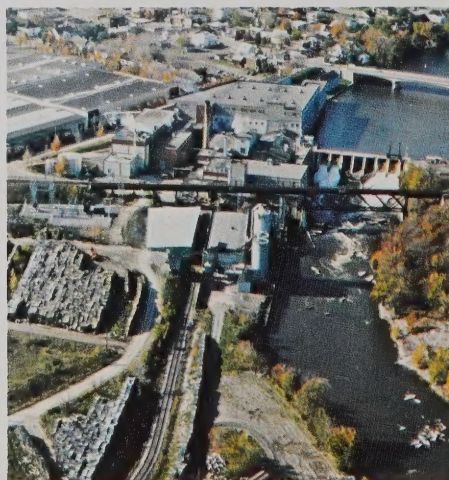
the Western and Eastern Manufacturing Divisions are operating on seven-day schedules with the exception of #1 Machine at Crabtree. This unit, which has been producing fine papers and towelling for several years, was shut down at the end of 1971 due to reduced demand in Canadian and U.S. fine paper markets. It should be noted, however, that the machine has been almost entirely depreciated.

Substantial sums were approved in 1971 for investment in various projects aimed at the reduction of fibre loss and other matter contained in air and water emissions. Investment in these areas will continue as part of the company's obligation to meet federal, provincial, and community environmental standards.

Scott People

Working relationships in both manufacturing locations and in our administrative and sales divisions were at a new high level of efficiency and cooperation. Our policy of placing greater emphasis on training and communications programs and increasing responsibilities throughout the company is proving to be very beneficial to both management and Scott employees generally. On behalf of the Board of Directors and management, I extend warm appreciation for the loyalty and effective efforts of all Scott people.

1971 marked the 10th year of your company's Employee Share Purchase Plan. Since its inception in 1962, several hundred of our hourly and salaried people have purchased 21,435 shares of the company's common stock through payroll deductions. The company supplements the Plan each year by contributing an amount equal to 25% of employee deposits. All shares are purchased on the stock exchanges by a trustee and are distributed annually to the members. The Employee Stock Purchase Plan is again offered in 1972 when additional employees will take advantage of the opportunity to become shareholders in the company along with others who will be increasing their participation in stock ownership.





Contemporary graphics for Scott's wide range of industrial products follow recently achieved national distribution. Package changes also provided improved dispensing, handling, and storage.

The year saw the completion of the major expansion program at Scott's Eastern Manufacturing Division, at left.

Dedication of the new facilities took place October 22nd, with Arthur F. Armstrong, President, welcoming the Hon. Robert Quenneville, M.D., Minister of Eastern Quebec Development, among other distinguished guests. At right, Bernard A. Goulet speaks to Scott machine tender Julien Desrosiers.





Outlook

While the unemployment rate remains at a high level and the threat of further strong inflationary pressures is present, we are optimistic about the outlook for the current year based on increases in consumer confidence and in retail sales in late 1971 and early 1972.

Your company will continue to concentrate its efforts on new products, product innovations, improved manufacturing efficiencies and lower distribution costs. Substantial capital and marketing investments will be made in 1972 to further this plan. The strengthening and broadening of the company's product line and continuing improvements in manufacturing and distribution facilities are essential to a profitable and balanced growth in the future.

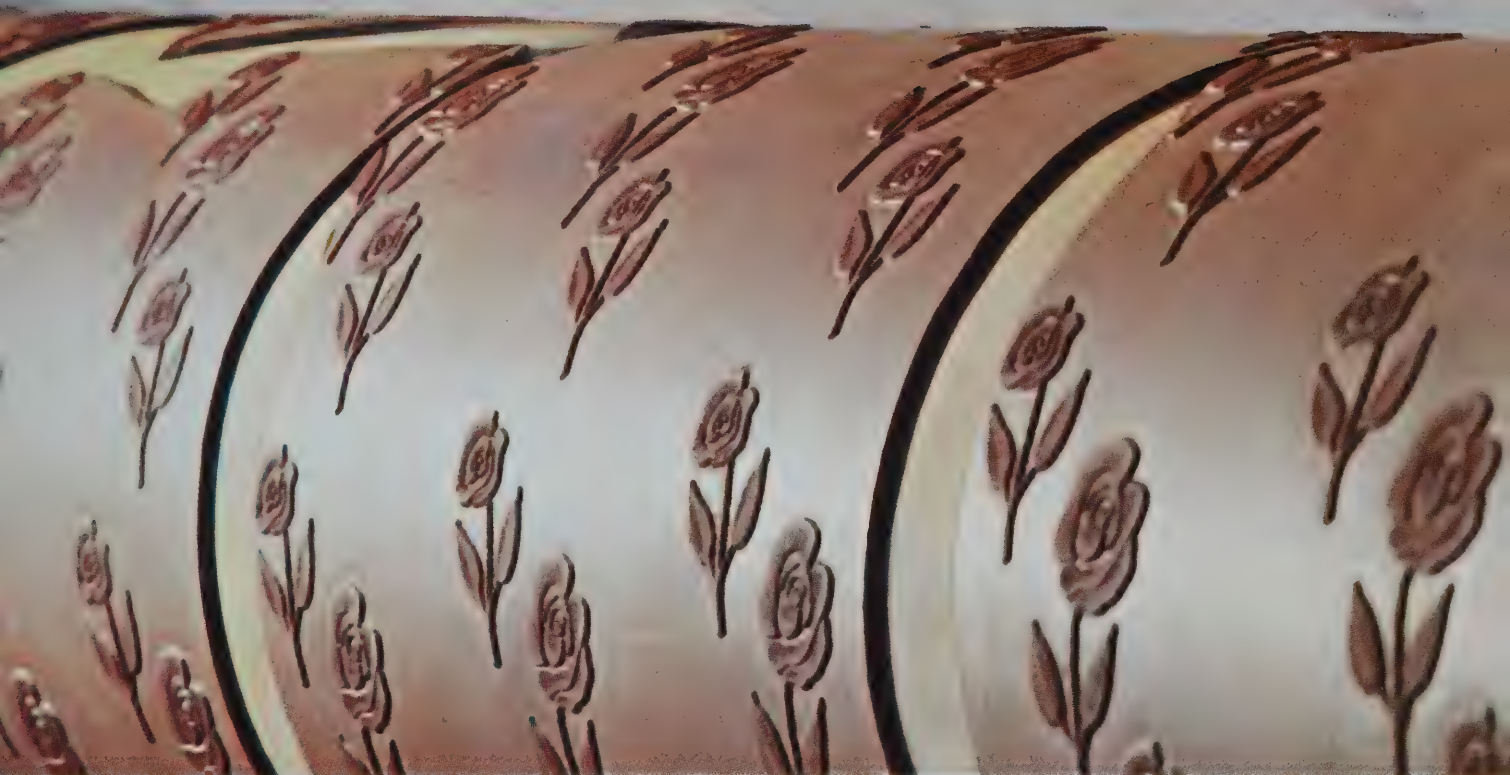
Scott Paper Limited's affiliation with Scott Paper Company of the United States and that company's other affiliates in the United Kingdom, Europe, South America and the Pacific areas is a source of great strength in furthering our efforts to develop new products, improve technology and processes and in the area of marketing and distribution. We maintain constant liaison with Scott of the United States and with the other Scott affiliates through regular meetings of our divisional personnel with their counterparts in other Scott companies abroad.

You will note that your company will complete its fiftieth year of operation in April of 1972. Founded as Westminster Paper Mills, it became a public company in 1927, and Scott Paper Company acquired its initial interest in 1954. The fifty years of the company's operation have been characterized by many achievements. Surely the most noteworthy of all is the enthusiasm and pursuit of excellence demonstrated by company personnel. We express sincere appreciation to our customers, suppliers, bankers and underwriters for their valuable and consistent support in meeting the many challenges of 1971. As we see it now, 1972 provides the opportunity for another year of sound sales growth, accompanied by improved after-tax earnings and a more satisfactory return on capital employed.

For the Board of Directors,

A. F. Armstrong,
President.

March 24, 1972.



The accent in today's consumer market is increasingly on colour and design. A Scott innovation in 1971 was the "Lady Rose" appliqué on Lady Scott facial tissue and bathroom tissue products, here being imprinted on a press of special design in the Western Manufacturing Division.

At left, significant economies in operation are being realized with the completion of a major addition to warehouse and distribution facilities.

Facing page, guests at the Crabtree dedication ceremony, who were conducted on a plant tour, wore disposable gowns produced by Scott's subsidiary, Westminster Paper Company Limited.

Consolidated Statements of Income and Retained Income

	Year ended December 31	
	1971	1970
<i>Income:</i>		
Sales, less allowances and after deducting		
Federal sales tax of \$4,314,487 (1970—\$3,928,894) .	\$42,910,244	\$39,761,768
Expenses:		
Cost of products sold	28,500,778	26,450,238
Selling and distribution expenses	8,901,962	8,006,040
Administrative and general expenses	1,579,586	1,673,817
Debenture interest and amortization of issue costs	537,500	—
Bank interest	341,493	448,270
	<u>39,861,319</u>	<u>36,578,365</u>
Income before income taxes	3,048,925	3,183,403
Income taxes (Note 4):		
Current	923,000	810,000
Deferred	540,000	790,000
	<u>1,463,000</u>	<u>1,600,000</u>
Income for the year	<u>\$ 1,585,925</u>	<u>\$ 1,583,403</u>
Income per share	<u>\$1.98</u>	<u>\$1.98</u>
<i>Retained income:</i>		
Retained income at beginning of year	\$13,266,983	\$12,403,580
Income for the year	<u>1,585,925</u>	<u>1,583,403</u>
	14,852,908	13,986,983
Dividends—90c per share	720,000	720,000
Retained income at end of year	<u>\$14,132,908</u>	<u>\$13,266,983</u>

Note:

Expenses include depreciation (Note 3) of \$1,779,898 (1970—\$1,425,751) and directors' fees and remuneration of officers who are also directors of \$245,849 (1970—\$214,280).

Consolidated Statement of Financial Position

	December 31	
	1971	1970
CURRENT ASSETS:		
Cash and short term deposits	\$ 1,122,750	\$ 21,700
Trade and other accounts receivable	3,088,208	3,135,340
Income taxes recoverable	—	215,663
Inventories (Note 1)	8,570,565	7,666,505
Prepaid expenses	208,087	73,740
	<u>12,989,610</u>	<u>11,112,948</u>
CURRENT LIABILITIES:		
Bank indebtedness—secured (Note 2)	1,580,224	5,826,801
Accounts payable and accrued liabilities	4,908,782	4,195,335
Income taxes payable	205,587	—
	<u>6,694,593</u>	<u>10,022,136</u>
Working capital	<u>6,295,017</u>	<u>1,090,812</u>
<i>Add—</i>		
NON-CURRENT ASSETS:		
Fixed assets (Note 3)	27,206,221	25,610,075
Unamortized debenture discount and issue expenses	505,574	—
Miscellaneous assets	246,096	246,096
	<u>27,957,891</u>	<u>25,856,171</u>
<i>Deduct—</i>		
NON-CURRENT LIABILITIES:		
8¾ % sinking fund debentures, Series A (Note 6)	12,000,000	—
Bank loan	—	6,100,000
Deferred income taxes (Note 4)	1,520,000	980,000
	<u>13,520,000</u>	<u>7,080,000</u>
Net assets	<u>\$20,732,908</u>	<u>\$19,866,983</u>
SHAREHOLDERS' INTEREST:		
Share capital (Note 5)	\$ 6,600,000	\$ 6,600,000
Retained income	14,132,908	13,266,983
	<u>\$20,732,908</u>	<u>\$19,866,983</u>

APPROVED ON BEHALF OF THE BOARD:

Arthur F. Armstrong, *Director*.H. Clark Bentall, *Director*.

Notes to Consolidated Financial Statements As at December 31 1971

	December 31	
NOTE 1—INVENTORIES:	1971	1970
Finished products and work in process	\$ 5,191,546	\$ 4,519,253
Raw materials and supplies	3,379,019	3,147,252
	<u>\$ 8,570,565</u>	<u>\$ 7,666,505</u>

Inventories of finished products and work in process are valued at the lower of cost and market value determined on the basis of net realizable value. Raw materials and supplies are valued at cost which is not in excess of replacement cost.

NOTE 2—BANK INDEBTEDNESS:

The bank indebtedness is secured by a pledge of the company's accounts receivable and inventories.

	December 31	
NOTE 3—FIXED ASSETS:	1971	1970
Land, at cost	\$ 430,718	\$ 426,154
Buildings, machinery and equipment, at cost	44,753,455	41,381,975
Less: Accumulated depreciation	17,977,952	16,198,054
Net book value of depreciable assets	<u>26,775,503</u>	<u>25,183,921</u>
	<u>\$27,206,221</u>	<u>\$25,610,075</u>

The company provides depreciation substantially on a straight-line basis at rates estimated to amortize the cost of the fixed assets over their useful lives.

NOTE 4—DEFERRED INCOME TAXES:

On January 1, 1968 the company adopted the tax allocation method of accounting for income taxes for all periods subsequent to that date.

Prior to January 1, 1968 the company followed the policy of charging against earnings only income taxes actually payable after claiming maximum capital cost allowances available for income tax purposes on the fixed assets. Because capital cost allowances in previous financial years exceeded depreciation provided in the financial statements for those years, there are accumulated reductions in income taxes otherwise payable of approximately \$3,902,000 which have not been recorded as deferred income taxes.

NOTE 5—SHARE CAPITAL:

The authorized share capital of Scott Paper Limited consists of 2,000,000 common shares

without par value of which 800,000 are issued and outstanding.

Of the 1,200,000 unissued shares, 50,000 are reserved for options under the "Key Employees' Stock Option Plan." As at December 31, 1971 options to purchase 9,250 shares are outstanding (but not yet exercised) at prices of \$30.62 and \$36.75 per share, valid for varying dates to 1974.

NOTE 6—8¾ % SINKING FUND DEBENTURES, SERIES A:

On July 2, 1971 the company issued \$12,000,000 8¾ % sinking fund debentures, Series A, maturing on July 2, 1991. By the terms of the mandatory sinking fund provisions the company is required to retire \$360,000 of the debentures per annum commencing on July 2, 1974. The debenture trust agreement contains a distribution test formula which would limit the availability of retained earnings as to the payment of dividends if such test were not met.

Consolidated Statement of Source and Application of Working Capital

Source:	December 31	
	1971	1970
Operations—		
Income for the year	\$ 1,585,925	\$ 1,583,403
Add—		
Charges which did not involve an outlay of working capital:		
Depreciation (Note 3)	1,779,898	1,425,751
Deferred income taxes (Note 4)	540,000	790,000
Amortization of debenture issue costs . .	12,500	—
	<u>3,918,323</u>	<u>3,799,154</u>
Issue of 8¾ % sinking fund debentures, Series A (net)—Note 6	11,481,926	—
Increase in long-term bank loan	—	2,800,000
Decrease in miscellaneous assets	—	4,150
	<u>15,400,249</u>	<u>6,603,304</u>
Application:		
Net additions to fixed assets (Note 3)	3,376,044	6,701,372
Retirements of long-term bank loan	6,100,000	—
Dividends	720,000	720,000
	<u>10,196,044</u>	<u>7,421,372</u>
Increase (decrease) in working capital during the year . .	5,204,205	(818,068)
Working capital at beginning of the year	1,090,812	1,908,880
Working capital at end of the year	<u>\$ 6,295,017</u>	<u>\$ 1,090,812</u>

Auditors' Report

1075 West Georgia Street,
Vancouver 5, B.C.
February 4, 1972

To the Shareholders, Scott Paper Limited:

We have examined the consolidated statement of financial position of Scott Paper Limited and its subsidiary company as at December 31, 1971 and the consolidated statements of income and retained income and source and application of working capital for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

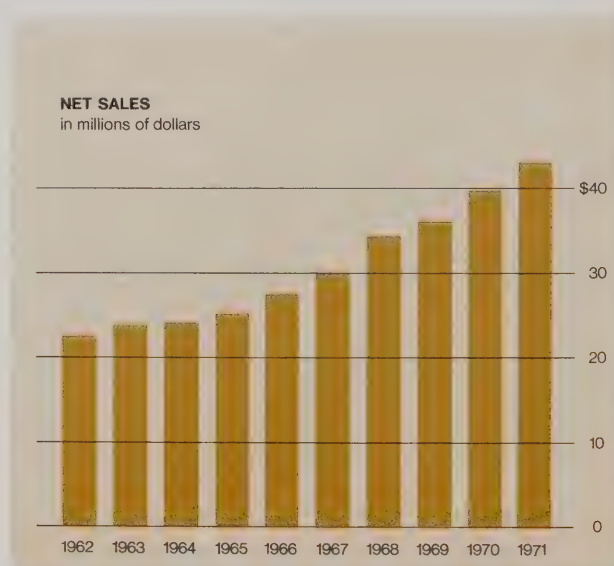
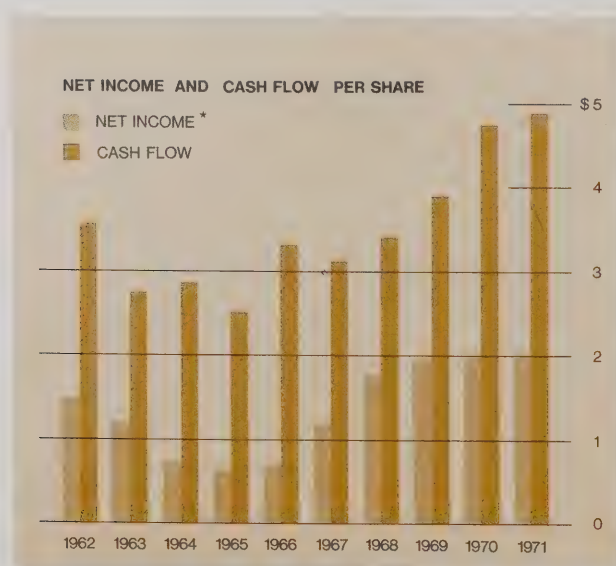
In our opinion these financial statements present fairly the consolidated financial position of the companies as at December 31, 1971 and the results of their operations and the source and application of their working capital for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Price Waterhouse & Co.
Chartered Accountants.

TEN YEAR REVIEW

	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962
<i>(thousands of dollars except Per Share)</i>										
Sales and Earnings										
Net sales	\$42,910	39,762	35,789	34,133	29,894	27,303	25,012	23,807	23,545	22,286
Depreciation	1,780	1,426	1,312	1,223	1,079	1,063	968	827	757	696
Interest expense	879	448	334	211	243	325	253	127	46	22
Income before taxes	3,049	3,183	3,268	3,020	2,256	1,458	1,005	1,001	1,968	2,383
Income taxes*	1,463	1,600	1,700	1,585	1,297	890	500	410	988	1,209
Income after taxes*	1,586	1,583	1,568	1,435	959	568	505	591	980	1,174
Per Share										
Income before taxes	\$3.81	3.98	4.09	3.77	2.82	1.82	1.26	1.25	2.46	2.98
Income after taxes*	1.98	1.98	1.96	1.79	1.20	.71	.63	.74	1.22	1.47
Cash flow	4.90	4.75	3.89	3.39	3.11	3.30	2.50	2.85	2.75	3.55
Dividends paid	.90	.90	.90	.80	.80	.80	.80	.80	.80	.80
Shareholders' Interest	25.92	24.83	23.75	22.69	21.70	20.74	19.85	19.41	18.39	17.39
Number of shares outstanding (thousands) .	800	800	800	800	800	800	800	800	800	800
Capital Expenditures	\$ 3,376	6,701	4,797	2,188	1,480	1,417	1,891	3,123	2,007	1,421
Financial Position										
Current assets	\$12,990	11,113	10,493	9,067	8,459	8,661	8,295	7,680	6,394	5,791
Current liabilities	6,695	10,022	8,585	7,354	6,311	6,124	5,975	4,790	2,790	2,724
Working capital	6,295	1,091	1,909	1,714	2,148	2,537	2,320	2,890	3,604	3,067
Fixed assets at net book value	27,206	25,610	20,334	16,849	15,885	15,483	15,130	14,207	11,910	10,660
Long term debt	12,000	6,100	3,300	700	1,000	1,700	2,000	2,000	1,000	—

*For purposes of comparison, income taxes and income after taxes for the years 1967 and prior have been restated to reflect the income tax allocation method of accounting used subsequent thereto. This restatement has not been reflected in the financial statements – see Note 4 attached to financial statements.



Officers and Executive Management

CHARLES BENTALL

Honorary Chairman

ARTHUR F. ARMSTRONG

President and Chief Executive Officer

GEORGE L. O'LEARY

Executive Vice-President and Chief Operations Officer

JOHN W. BOOTH

General Manager, Western Manufacturing Division

JAMES C. BOYLE

Director of Sales, Industrial Packaged Products

W. MICHAEL FERRIE

Director of Corporate Personnel

G. VERNON FORSTER

Director of Corporate Planning

JOHN J. HERB

*Assistant Secretary and Vice-President,
Westminster Paper Company Limited*

DOUGLAS HOLME

Vice-President (Manufacturing)

NORMAN A. KELLY

President, Westminster Paper Company Limited

WILLIAM M. MATTICE

Director of Quality Control

PETER J. PETERS

Vice-President (Finance) and Secretary

JOHN PHILIP

General Manager, Eastern Manufacturing Division

H. PETER SANAGAN

*Assistant Vice-President
(Director of Sales, Consumer Products)*

ROBERT T. STEWART

Vice-President (Marketing)

HORACE F. WINCHELL

*Vice-President
(Engineering and Manufacturing Development)*

Board of Directors

ARTHUR F. ARMSTRONG*

New Westminster, B.C.

PAUL C. BALDWIN

*Director and Vice Chairman,
Scott Paper Company, Philadelphia, Pa.*

H. CLARK BENTALL

*President, Dominion Construction Company Ltd.,
Vancouver, B.C.*

GILBERT C. CLARKE

*Deputy Chairman of the Board,
Standard Brands Limited, Montreal, P.Q.*

GEORGE L. O'LEARY*

New Westminster, B.C.

G. WILLING PEPPER

*Director and President, Scott Paper Company,
Philadelphia, Pa.*

PETER J. PETERS*

New Westminster, B.C.

RENAULT ST-LAURENT, Q.C., LL.D.

*Partner, St-Laurent, Monast, Desmeules & Walters,
Barristers & Solicitors, Quebec, P.Q.*

HORACE F. WINCHELL*

New Westminster, B.C.

*Company Officers

(604)
522-5711

Transfer Agent and Registrar

THE CANADA TRUST COMPANY

Vancouver, Montreal and Toronto

Stock Listings

Vancouver, Toronto and Montreal Stock Exchanges

Annual Meeting

The Company's Annual Meeting of Shareholders
will be held at 11:30 a.m. on April 25, 1972 at
The Vancouver Hotel, Vancouver, B.C.

SCOTT
PAPER
LIMITED

ANNUAL REPORT 1971

*Celebrating our
Fiftieth Year 1922-1972*



Original converting operation: July, 1923.